

Message Text

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TO AMEMBASSY ISLAMABAD IMMEDIATE

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EXDIS

FOLLOWING REPEAT PARIS 9563 ACTION SECSTATE MAR 20

QUOTE PARIS 09563

EXDIS

DEPT REPEAT TO ISLAMABAD

E.O. 11652: XGDS
TAGS: MNUC, FR, PK, US
SUBJECT: JACOMET VISIT TO PAKISTAN RE REPROCESSING
PLANT.

REF: (A) PARIS 05425, (B) ISLAMABAD 2039 (STATE
51242).

1. SUMMARY: ON MARCH 17 MFA NUCLEAR NON-PROLIFERATION ADVISER ANDRE JACOMET GAVE DETAILED REVIEW OF HIS FEBRUARY 20-23 VISIT TO PAKISTAN ON THE REPROCESSING PLANT CONTRACT. JACOMET MET WITH THE SENIOR GOP OFFICIALS INVOLVED, VISITED THE PLANT SITE, PUSHED THE CO-PROCESSING PROPOSAL OF SEPTEMBER 8,

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FELL BACK TO THE APPARENT CO-PROCESSING PROPOSAL AND LEFT WITH THE GOP AGREEING TO STUDY THIS NEW GOF PROPOSAL AND THE GOF AGREEING TO CONSIDER THE GOP PROPOSAL FOR A FULL-TIME, ON-SITE FRENCH INSPECTOR. JACOMET BROUGHT A LETTER FROM GISCARD INTRODUCING JACOMET AND EXPRESSING GOF CONCERN OVER PROLIFERATION RISKS. ON RETURN TO PARIS JACOMET SUBMITTED HIS REPORT TO GISCARD WHICH INCLUDED A REQUEST THAT JACOMET BE AUTHORIZED TO DEVELOP A DETAILED PROPOSAL ON APPARENT CO-PROCESSING WHICH

THE GOF COULD LATER (MID-APRIL) DECIDE ON SENDING

TO THE GOP. BY MARCH 10 GENERAL ZIA RESPONDED TO GISCARD'S LETTER ASKING THAT THE FREEZE ON SHIPMENT OF PLANT MATERIAL BE LIFTED AND STATING THAT THE GOP WOULD STUDY ALTERNATIVES TO THE PLANT WHICH WOULD MEET GOF PROLIFERATION CONCERNS, BUT NOT REQUIRE ANY MODIFICATION TO THE CONTRACT. ON MARCH 16 GISCARD APPROVED JACOMET'S REPORT: THE GOF (CEA) WILL DEVELOP A SPECIFIC PROPOSAL OVER THE NEXT 3-5 WEEKS AND AFTER THAT GISCARD WILL DECIDE ON ITS USE. THE GOF WILL FACE THE OPTION OF CANCELLING FURTHER WORK ON THE PLANT OR COMPLETING THE PLANT WITH SOME MODIFICATION ALONG LINES OF APPARENT CO-PROCESSING. ACTION: JACOMET WOULD WELCOME US THINKING ON BEST NON-PROLIFERATION COURSE TO TAKE NOW GIVEN GOP INTENT TO COMPLETE PLANT ANY WAY POSSIBLE, AND CURRENT STATUS OF CONSTRUCTION AND AVAILABILITY OF PLANS AND DRAWINGS.

END SUMMARY.

2. AS AGREED DURING AMB. SMITH'S FEB 15 PARIS VISIT, JACOMET GAVE FULL BRIEFING TO EMBOFF ON MARCH 17 ON HIS VISIT TO PAKISTAN AND THE SUBSEQUENT RESULTS OF
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LETTERS, HIS REPORT AND RECOMMENDATIONS. JACOMET HAD PREPARED A DETAILED REPORT TO GISCARD WITH CONCLUSION AND RECOMMENDATION; HIS BRIEFING WAS A PARAPHRASING OF THAT REPORT. JACOMET SAID HE SPENT A TOTAL OF SIX HOURS ON FEB 20 AND 21 WITH GENERAL ZIA, FOREIGN MINISTER AGA SHAHI, ISHAQ - THE CHIEF OF STAFF, AND THE TOP PEOPLE OF THE PAK AEC. THESE DISCUSSIONS WERE IN THREE PHASES: REVIEW OF THE CO-PROCESSING PROPOSAL MADE BY THE GOF ON SEPTEMBER 8; DISCUSSION OF A NEW FRENCH PROPOSAL ON APPARENT CO-PROCESSING AND A PAK PROPOSAL TO ADD A FULL-TIME, ON-SITE FRENCH INSPECTOR; CONCLUSION AND REVIEW WITH GENERAL ZIA. THE SECOND TWO DAYS WERE SPENT VISITING THE PLANT SITE WITH TRANSPORTATION PROVIDED BY GEN. ZIA'S PRIVATE HELICOPTER.

3. JACOMET REPORTED THAT HE BEGAN BY NOTING THAT GISCARD HAD DECIDED NOT TO PROCEED WITH THE ORIGINAL PLANT AND THAT THERE WOULD BE NO FURTHER SHIPMENTS PENDING A RESOLUTION OF FRENCH PROPOSALS. THE GOP SAID: IT HAD ACCEPTED ALL REASONABLE SAFEGUARDS; IT IS PREPARED TO TAKE NEW LEGAL SAFEGUARDS IF NEEDED; CO-PROCESSING IS UNTRIED, WOULD BE EXPENSIVE, CAUSE SERIOUS DELAYS AND THE GOP WOULD NOT AGREE TO BEING A GUNEA-PIG; PAKISTAN NEEDS THE PLANT SOON; WHO WOULD PAY THE ADDED COST; THE RESULTANT PU-U MIX COULD NOT BE USED IN LWR'S OR IN BREEDERS. JACOMET RESPONDED

BY SAYING THAT NEW INTERNATIONAL DIRECTIONS HAD BEEN TAKEN IN NUCLEAR NON-PROLIFERATION TO WHICH GISCARD ATTACHED GREAT IMPORTANCE; THE NEW POLICY IS BASED ON NOT MAKING AVAILABLE FUEL THAT COULD BE USED FOR WEAPONS; CEA WOULD GUARANTEE THE CO-PROCESSING; PAKISTAN DOESN'T NEED THE PLANT BEFORE NEW REACTORS ARE OPERATING; AGREEMENT CAN BE REACHED ON THE ADDITIONAL FINANCING;

HOWEVER THESE STEPS WOULD BE SIGNIFICANT CHANGES TO
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THE CONTRACT; PERHAPS THE MIX COULDN'T BE USED DIRECTLY IN THE LWR BUT DOES PAKISTAN NEED A BREEDER. TALKS WITH MFA AND PAEC OFFICIALS MADE UP THE REMAINDER OF THE FIRST DAY.

4. THE SECOND DAY JACOMET MET WITH FOREIGN MINISTER AGA SHAHI. SHAHI REVIEWED HIS DISCUSSION WITH GUIRIN-GAUD ON SEPT 8 SAYING THAT AT THAT TIME HE HAD REJECTED CO-PROCESSING; AND HE HAD REPEATED HIS REJECTION LATER IN NEW YORK. UNDER US PRESSURE THE GOF IS DISCRIMINATING AGAINST PAKISTAN IN FAVOR OF INDIA. PAKISTAN HAS NEVER CANCELLED AN AGREEMENT, IS PREPARED TO TAKE ON FURTHER SAFEGUARD GUARANTEES, BUT CAN'T ACCEPT MODIFICATION TO THE PLANT. THUS, THE ANSWER IS NO TO CO-PROCESSING. THEN JACOMET DESCRIBED THE APPARENT CO-PROCESSING WHICH HE RENAMED YIVHRRMON MIXING; IT WOULD HAVE VARIABLE MIXING RATIOS TO PERMIT PRODUCT USE IN

LWR AND PROBABLY BREEDERS, EASIER TO BUILD THAN CO-PROCESSING, LESS TIME DELAY INVOLVED, LESS EXPENSIVE, BUT WOULD REQUIRE CONTRACT MODIFICATION. SHAHI SAID THE NEW GOF PROPOSAL NEEDS STUDY. HE THEN PROPOSED THAT THE FRENCH CONCERN BE MET BY PLACING A FULL TIME, ON-SITE FRENCH INSPECTOR AT THE PLANT (ALONGSIDE THE IAEA INSPECTORS). JACOMET SAID THAT THE FRENCH PRESIDENT WAS NOT LOOKING FOR NEW GUARANTEES BUT FOR A CHANGE IN THE END PRODUCT OF THE PLANT.

5. DISCUSSION FOLLOWED WITH OTHER MFA OFFICIALS. AT FIRST THE MFA PROFESSED FULL COOPERATION WITH THE GOF, PARTICULARLY IF IT WOULD MEAN LWRS FOR PAKISTAN. MFA SAID IT HAD BEEN ADVISED THAT CO-PROCESSING WHICH WOULD MIX AT THE OXIDE STAGE AND NOT AT THE NITRATE
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STAGE WOULD BE PREFERABLE; THE SITE HAD PROBLEMS ACCOMMODATING ANY EXTENSION IN THE PLANT.

6. THE CONCLUDING SESSION WITH ZIA AT HIS HOME BEGAN

WITH THE PAKS SAYING THAT THEY WOULD DISCUSS ALTERNATIVES ONLY IF THE FREEZE ON FURTHER SHIPMENTS WAS LIFTED. JACOMET SAID THE FREEZE WOULD HOLD FIRMLY UNTIL THERE WAS AGREEMENT ON PLANT ALTERATIONS. JACOMET GAVE ZIA A LETTER FROM GISCARD WHICH SAID JACOMET HAD COME TO FIND A SOLUTION TO FRENCH CONCERN FOR PROLIFERATION AND PAKISTAN'S NEEDS FOR ENERGY. ZIA GAVE A LONG SPEECH FOCUSED ON HOW THE HONOR OF FRANCE REQUIRED THE FULL COMPLIANCE WITH THE TERMS OF THE CONTRACT. JACOMET RESPONDED WITH GISCARD'S COMMITMENT TO NUCLEAR NON-PROLIFERATION. AGA SHAHI THEN DIRECTED THE DISCUSSION TO THE TWO PROPOSALS; THE PAEC SAID THE ADD-ON MIXING NEEDED STUDY - IT APPEARED TO BE CO-PROCESSING AND WAS DOUBTFUL IF IT WOULD BE ACCEPTABLE TO PAKISTAN. ISHAQ CALLED FOR NO CHANGES IN THE CONTRACT. JACOMET SAID GISCARD HAD STOPPED PROGRESS ON THE PLANT COVERED BY THE CONTRACT. THE PAKS COULD NOT ACCEPT CO-PROCESSING. THE RESULT WAS THAT EXPERTS WOULD STUDY THE TWO PROPOSALS - THE FRENCH ADD-ON MIXING AND THE GOP PROPOSAL FOR A FULL TIME ON-SITE FRENCH INSPECTOR. IT WAS AGREED THERE WOULD BE NO PUBLIC COMMENT ABOUT JACOMET'S VISIT TO PAKISTAN.

7. THE 22 AND 23 OF FEBRUARY JACOMET SPENT ON A TOUR OF THE PLANT. THREE SHIFTS ARE OPERATING WITH ABOUT 1,000 PEOPLE IN TOTAL INVOLVED. THERE ARE TWO FRENCH ENGINEERS ON SITE, CHECKING CONSTRUCTION PROGRESS AGAINST PLANS AND DRAWINGS AND APPROVING MINOR CHANGES. THE TWO FRENCH TOLD JACOMET THAT THERE WERE MANY DELAYS, THAT THE PAKS ARE NOT EFFICIENT WORKERS, AND THAT THE EARLIEST START-UP WOULD BE THE END OF 1981.

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DELAYS HAVE NOT BEEN DUE TO LACK OF DELIVERIES RESULTING FROM THE FRENCH FREEZE, RATHER DUE TO MANY OTHER ASPECTS INCLUDING MISMANAGEMENT OF THE CONSTRUCTION PROGRAM.

8. JACOMET'S REPORT CONTAINED THE FOLLOWING AS CONCLUSIONS:

- THERE IS NO JUSTIFICATION FOR THE REPROCESSING PLANT BASED ON THE CIVILIAN POWER NEEDS OF PAKISTAN;
- THE PAKISTANI DESIRE TO HAVE THE PLANT IS NOT BASED ON MAKING A BOMB, BUT ON HAVING DEMONSTRATED TECHNICAL INGREDIENTS FOR A BOMB (A DETERRENT NEVERTHELESS);
- IF FRANCE DECIDES TO NOT CONTINUE WITH THE PROJECT PAKISTAN CAN AND WILL SUCCEED TO COMPLETE AND OPERATE THE FACILITIES.

JACOMET THEN COMMENTED THAT HE FEELS THAT THE ORIGINAL

FRENCH DECISION TO PROCEED WAS WRONG, BUT THINGS HAVE GONE TOO FAR - ALL DRAWINGS HAVE BEEN DELIVERED - AND THE PAKS CAN COMPLETE AND OPERATE THE PLANT. JACOMET SAID THE ONLY OTHER CONTRACT FOR FRENCH BUSINESS TIED BY THE PAKS TO THE REPROCESSING PLANT IS THAT FOR THE

SAVIEM TRUCK PLANT - IF NO DELIVERIES FOR THE REPROCES-SING PLANT, NO FIRST PAYMENT ON THE TRUCK PLANT. THE PAKS HAVE DEFINITELY REJECTED CO-PROCESSING AND JACOMET RECOMMENDED THAT FRANCE REJECT THE PROPOSAL FOR A FRENCH INSPECTOR. THUS, JACOMET'S BASIC RECOMMENDATION WAS TO PREPARE A SPECIFIC PROPOSAL OF THE ADD-ON MIXING FACILITY. THIS PROPOSAL WOULD BE CARE-FULLY DRAFTED TO STRESS APPROPRIATE NON-PROLIFERATION NEEDS. THE PROPOSAL SHOULD INCLUDE AN ASPECT ON

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FRENCH TECHNICAL ASSISTANCE ON PAKISTAN ENERGY NEEDS TO BE MET THROUGH NUCLEAR AS WELL AS SOLAR MEANS.

9. JACOMET AGREED THAT HE HAD BEEN SUCCESSFUL IN PUTTING OFF UNTIL AFTER FRENCH ELECTIONS ANY PUBLIC NOTICE OF THE STATUS OF THE PROJECT OR PAKISTAN PROTEST ON THE FREEZE. HE DID ADMIT THAT THE PROPOSED ADD-ON MIX-ING WAS NO PLUS FOR NON-PROLIFERATION OBJECTIVES. AT THIS POINT, JACOMET HAD ASKED FOR AUTHORITY TO DEVELOP

WITHIN THE GOF A DETAILED PROPOSAL ON THE ADD-ON MIXING ON THE BASIS THAT THERE WOULD BE NO CONCESSION ON DELIVERIES TO THE PLANT UNTIL AGREEMENT WAS REACHED ON ALTERING THE PLANT DESIGN.

10. AFTER JACOMET SUBMITTED HIS REPORT TO THE PRESIDENT, THE RESPONSE FROM ZIA WAS RECEIVED. THIS RESPONSE ECHOED GISCARD'S CONCERN FOR NON-PROLIFERA-TION, ASKED THAT CONSIDERATION BE GIVEN TO LIFTING THE RESTRICTIONS ONSHIPMENT OF GOODS TO PAKISTAN FOR THE PLANT AND SAID PAKISTAN AGREED TO STUDY ALTERNATE MEANS TO MEET GISCARD'S NON-PROLIFERATION CONCERNS, BUT WITH NO MODIFICATION OF THE CONTRACT. IN DISCUS-SING THIS LAST CONDITION OF NO CONTRACT CHANGES, JACOMET SAID IT IS IMPOSSIBLE TO MEET GOF CONCERNS AND NOT CHANGE THE CONTRACT. ON THURSDAY, MARCH 16 JACOMET RECEIVED HIS PRESIDENT'S ACCEPTANCE OF HIS RECOMMENDA-TION TO PREPARE A DETAILED PROPOSAL WITH CONSIDERATION OF ITS USE TO BE MADE AFTER ITS PREPARATION, ABOUT MID-APRIL. IF IT IS DECIDED TO MAKE THE PROPOSAL TO THE GOP, A TEAM, PERHAPS HEADED BY JACOMET, WOULD THEN VISIT PAKISTAN FOR TECHNICAL DISCUSSIONS.

11. JACOMET SEES THINGS AS FOLLOWS:

- IF THERE IS NO AGREEMENT ON THE ADD-ON MIXING,

GISCARD WILL PROBABLY CANCEL THE CONTRACT.

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- IF THE GOP AGREES TO THE ADD-ON MIXING, THE GOF MAY GO AHEAD, BUT IT WOULD DO SO IF IT WAS CONSIDERED THE BEST COURSE FOR NON-PROLIFERATION OBJECTIVES GIVEN THE CURRENT CONSTRUCTION STATUS OF THE PLANT AND PRESENCE OF DRAWINGS AND PLANS. IT IS NOT AT ALL CLEAR TO JACOMET THAT STOPPING FRENCH PARTICIPATION NOW IN THE PLANT WOULD BE THE BEST FOR NON-PROLIFERATION OBJECTIVES, AND HE DOES NOT BELIEVE THAT A COMPLETED AND OPERATING REPROCESSING PLANT IS ANY HELP EITHER. ACTION: JACOMET WOULD VERY MUCH WELCOME US THINKING ON THIS MATTER.

12. JACOMET THEN MENTIONED BRAZIL AND OBSERVED THAT ACTION ON THE BRAZIL REPROCESSING PLANT WOULD IMPACT ON GISCARD'S DECISIONS IN MID-APRIL ON THE PAKISTAN PLANT ADD-ON MIXING PROPOSAL. JACOMET READ FROM A RECENT CABLE FROM FRENCH, AMBASSADOR DE LABOULAYE NOTING AMB. SMITH'S COMMENTS TO HIM THAT THE NUCLEAR ISSUE WOULD PROBABLY NOT BE RAISED BY THE U.S. DURING PRESIDENT CARTER'S UPCOMING TRIP TO BRAZIL. IF THE US IS RESIGNED TO ACCEPT THE BRAZIL SITUATION, WHY SHOULD FRANCE EXTEND ITSELF TO FULL CANCELLATION OF THE PLANT.

13. SUMMARY OF REQUESTED DEPARTMENT ACTION:

- WHAT ARE US VIEWWS AND RATIONALE ON STOPPING FRENCH PARTICIPATION IN THE PLANT (WHILE THE PAKS PROCEED TO TRY TO COMPLETE IT) VS. SOME AMENDMENT TO THE PLANT AND CONTINUING FRENCH PRESENCE ON-SITE.

- WHAT US EFFORTS MAY WE IDENTIFY FOR THE FRENCH ON THE BRAZIL REPROCESSING PLANT THAT WOULD MAKE TIS
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TOPIC CONTRIBUTE FAVORABLY TO GISCARD'S MID-APRIL DECISION. HARTMAN. UNQUOTE COOPER

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